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**Testimony in Support of House Bill 4246
Before the House Regulatory Reform Committee
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My name is Charlie Owens and I am the State Director for the National Federation of Independent Business, an advocate for Michigan small businesses owners and we are here today to support House Bill 4246 that would restrict the promulgation of rules to be no stricter than an existing federal rule unless allowed by statute.

As we move forward on the important mission of creating more and better jobs for the citizens of Michigan, we must consider the impact of our regulatory policy on the overall business climate for our state.

The business climate of a state is not a single issue or item but an overall blend of important elements that, together, determine whether there is an environment that encourages economic development, business growth and expansion and - as a consequence - job creation. Those elements are Tax Climate, Labor Climate, Legal Climate, Financial Climate and Regulatory Climate.

House Bill 4246 addresses the Regulatory Climate element of our overall business climate. Small business is particularly impacted by the cost of compliance with regulations. According to the 2010 Small Business Administration report:

“In the face of yet higher costs of federal regulations, the research shows that small businesses continue to bear a disproportionate share of the federal regulatory burden... More specifically, the total cost of federal regulations has increased to \$1.75 trillion, while the updated cost per employee for firms with fewer than 20 employees is now \$10,585 (a 36 percent difference between the costs incurred by small firms when compared with their larger counterparts).” While this report references federal regulations, the inference to state regulations is no less relevant.

House Bill 4246 will do much to move Michigan’s business climate forward and position our state competitively for many years to come. We ask the Committee to support this bill.